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DIARY NOTES

DD/S

22 June 1959

1. I talked to Lyman Kirkpatrick about his memorandum dated 13 May 1959 on the subject of "Honor Awards" and told him that our concern was that his memorandum was narrower than the 6 August 1958 paper approved by the Director. With the understanding that it was his intent to broaden rather than narrow this concept, I agreed that his memorandum might be released. However, in this connection I want to write a memorandum to Gordon Stewart for the guidance of the Honor Awards Board. H

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2. I met with [REDACTED] and Larry Houston to discuss the problem of the General Accounting Office audit of vouchered funds. It is clear that the Comptroller General is not doing the type of audit which he does for other governmental agencies and that he has three possible courses to follow: (1) continue to audit vouchered funds only; (2) try to enforce the provisions of his charter from the Congress, which we could probably not allow; or (3) discontinue his audit altogether. We agreed that it would be desirable to continue as is, but that in any case we should not take the initiative to effect a change. However, it was agreed that we should develop a paper for the Director's information setting forth the situation and the various courses of action which may be opened to us if the Comptroller takes the initiative. [REDACTED] has the responsibility of drafting this paper. H

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3. [REDACTED] advised me that the Director's recent paper on the "role of the Inspector General" could now be released.

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4. Along with a number of other Support people I attended a briefing given by [REDACTED] on the "Defense stockpiling project." They seem to have made considerable progress but have not solved the budgetary problem. The next step is to present this to General Erskine and then they expect that there will be a joint briefing for the Secretary of Defense, the Director and others who may be interested. 25X1A9a

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5. I met with Gordon Stewart, [REDACTED] to talk about the Project [REDACTED] retirement plan. I directed Gordon to take back the paper we had and do a proper staffing job on it without delay.

6. I talked with Sam Crosby of the House Appropriations Committee Staff about seeing Mr. Cannon in connection with the restoration of \$2.8 million to our budget. Sam felt that we should not see Mr. Cannon at this time but go right ahead and take up this matter with the Senate Committee and that if the Senate restored the item then we could consider whether or not we needed to see Mr. Cannon prior to the Committee conference. I reported H

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Approved For Release 2001/07/28 : CIA-RDP76-00183R000300050019-8

this at the Deputies' Meeting and everyone was satisfied with the current status of the matter.

Later in the day I received a letter from Bob Macy, Bureau of the Budget, asking us not to request that more than the 1959 level of the Reserve be restored. (Also in this letter Bob is reminding us of the study which we had indicated we would undertake and wants to see it.) I talked to Frank Ecker about this and told him that it would be very awkward to reduce our request in the Senate and suggested that we let the \$2.8 million stand, adding that if it were approved the Department of State, CIA and the Bureau could then agree on the amount to be transferred to State, with the remainder accruing to our Contingency Reserve.

25X1A9a 7. Larry Houston briefed me on the trouble between [REDACTED] and 25X1A5a1 translation project which we have supported. This could turn out to be a real messy situation involving court action. [REDACTED] and Larry will maintain close touch with the situation.

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